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**Wholesale Electricity Market  
Rule Change Proposal Submission Form**

**RC\_2007\_24 Maximum Reserve Capacity Price Methodology & Review**

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**Submitted by**

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| <b>Date submitted:</b> | 6 November 2007  |

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**Submission**

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**1. Please provide your views on the proposal, including any objections or suggested revisions.**

Verve Energy strongly supports any initiative that results in a more cost-reflective outcome. It is now well established that the cost of procuring, installing and commissioning generating plant has increased significantly and is divergent from that arrived at by the current methodology.

Accordingly Verve Energy supports the proposed rule change, which enables dynamic changes in the cost of establishing plant to be taken account of.

Of course, simply enabling the consideration of the review will not of itself ensure the derivation of an appropriate Reserve Capacity Price. The outcome still hangs on the quality of the review when it is conducted.

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**2. Please provide an assessment whether the change will better facilitate the achievement of the Market Objectives.**

Verve Energy agrees with IMO that the proposed rule change supports the achievement of the Market Objectives.

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**3. Please indicate if the proposed change will have any implications for your organisation (for example changes to your IT or business systems) and any costs involved in implementing these changes.**

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**4. Please indicate the time required for your organisation to implement the change, should it be accepted as proposed.**

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